



CENTRAL BANK OF EGYPT

Egyptian Banking Institute

Egyptian banking institute exam

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البنك المركزي المصري
المعهد المصرفي المصري

Test

TFE Principles of Banking Certificate

End of Course Test

(2 Hours)

Test Duration: _____

Test Booklet: _____ Wrong Answers: _____ Correct
Answers: _____

Name: _____

Bank: _____

When instructed, please turn the page and read the test instructions.

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STOP!

- ✓ Commit to the start and end time of the test
- ✓ Stay quiet during the test and switch off mobiles
- ✓ Submit any documents or learning material related to the test to the observer before starting the test

PLEASE TURN THE PAGE WHEN YOU ARE DIRECTED TO BEGIN THE TEST. SHOULD YOU HAVE ANY

COMMENTS ABOUT THE QUESTIONS, PLEASE NOTE THEM IN THE TEST BOOKLET.

"In case of first-time cheats, the observer signs the answer sheet; recording the case and refers back to the concerned training department. In case of repeated cheats, the test is canceled and the case is referred to the concerned training department for investigation and taking the necessary actions."

Section One: Banking Operations (10 Marks):**A - Mark the following as (✓) or (×):-**

- 1) The current account is a non interest bearing account ()
- 2) Saving accounts are opened for both individuals and corporates ()
- 3) The customer can postpone payment by using a certified cheque ()
- 4) The central bank of Egypt has a macroeconomic influence as it is responsible for price stability ()
- 5) An incoming transfer is an amount credited to a customer's account by order of another party ()

B - Choose the correct answer:-

1. You can pay later if you are using:
 - A. Debit Card
 - B. Credit Card
 - C. Prepaid card
2. Banks make profit by collecting and charging:
 - A. Savings and deposits
 - B. Trade finance
 - C. Interest rate on their assets, commissions and fees for the performing services
3. In the ATM machine, we use:
 - A. Check book
 - B. Money order
 - C. Plastic cards
4. The bank draft is dated:
 - A. Before date of issue
 - B. On date of issue
 - C. After date of issue

5. The joint account is owned by:
- A. A company
 - B. An individual
 - C. Two individuals or more

Section Two: Capital Market (5 Marks):

Mark the following as (✓) or (×):-

- 1. Primary market is the issuance market and secondary market is the trading market. ()
- 2. Growth stock bear higher level of risk than defensive stocks. ()
- 3. EGX 30 index is established based on market capitalization of its listed stocks. ()
- 4. The stock exchange is considered a disclosure trading platform ()
- 5. Asset management "funds Management Company" execute and implement investment policy of the funds' portfolio. ()

Section Three: Retail Banking Operations (9 Marks):

A - Mark the following as (✓) or (×):-

- 1. Credit Card: is the card that you can use it now and pay now ()
- 2. Auto Loan is one of the liabilities products in retail business ()
- 3. The Collection and recovery department indicates if the retail business is doing good or bad ()
- 4. Cross Selling need 6 Tools (Customer Service – Product Mix – Marketing Materials – Salary Incentive – Customer Incentive – CRM). ()

B - Choose the correct answer:

1. Retail Banking is dealing with
 - A - Organizations
 - B - Companies
 - C - Individuals
2. Safe boxes are
 - A- Retail Service
 - B- Retail Assets Product
 - C – Retail liabilities Product
3. Retail loans have same features such as.....
 - A- Loan Purpose
 - B- Loan Amount
 - C- Marketing materials
4. The Credit Card is
 - A- Retail Service
 - B- Retail Assets Product
 - C – Retail liabilities Product
5. A woman 32 years old with a monthly salary L.E 7000 got a cash loan L.E 50000 with monthly instalment L.E 900, and credit card limit L.E 5000, with a minimum payment 10%. What is the debt burden ratio?
 - A- 21%
 - B – 20%
 - C- 19, 5%
 - D- 20, 5%

Section Four: Financial Tools for SME Banking (5 Marks):

1- ضع علامة (√) امام العبارة الصحيحة و علامة (x) امام العبارة الخاطئة :-

- 1- محاربة الفقر و التضخم ليسا من دواعي تمويل المشروعات الصغيرة و المتوسطة ()
- 2- يمكن تعريف المشروعات الصغيرة و المتوسطة استناداً على معايير عدد العماله و قيمه رأس المال المستثمر ()
- 3- ما هية المشروعات الصغيرة و المتوسطة واحدة من كل دول العالم ()
- 4- تعتبر المشروعات الصغيرة و المتوسطة هامة لجهات التمويل فقط ()
- 5- نظرة جهات التمويل للمشروعات الصغيرة و المتوسطة لا تختلف عن نظرتها للمشروعات الكبيرة ()

Section Five: Treasury (5 Marks):

Choose the correct answer:

1- The role of Central Banks is to manage:

- a) Monetary Policy
- b) Fiscal Policy
- c) Both
- d) None

2- When the Euro / USD rate changes from 1.3120 to 1.3260 this means that the change is in -----

- a) Big figure
- b) None
- c) Bps
- d) Figure

3-A contract that gives the right (not the obligation) to buy an underlying asset at an agreed upon price within an agreed upon period.

- a) Forward contract
- b) Foreign exchange
- c) Option
- d) Secondary market contract

4- Spot transaction is value

- a) Tom
- b) Two business days.
- c) Today
- d) Next week

5- The difference between the buy rate and sell rate in FX transaction is called.....

- a) Spread
- b) Bid
- c) Ask
- d) Offer

Section Six: Foreign trade Finance operations (10 Marks):

A - Mark the following as (√) or (×):-

1. Commercial invoice is a tool of international payment ()
2. Commercial invoice must be signed by the seller ()
3. Confirmed documentary credit gives an extra guarantee to the importer ()
4. Bid bond and final letter of guarantee must be issued by specific amount and validity date ()
5. Certificate of origin must be issued by the exporter ()

B - Choose the correct answer:

- 1-Transport document issued by.....
- A - Exporter
 - B- Carrier
 - C- Importer
- 2-.....is a tool of international payment
- A- Advance payment
 - B- Letter of Guarantee
 - C- Bill of lading
- 3-The swift message of amendment L/C is.....
- A- MT 700
 - B- MT 705
 - C- MT 707
- 4-The certificate of Origin must show the
- A - Unit price
 - B- Term of delivery
 - C- Country of production
- 5-The Advance Payment and Open Account is a
- A- Payment tools
 - B- Term of delivery
 - C- UCP 600 articles

Section Seven: Credit and Financial Analysis (6 Marks):

A - Mark the following as (✓) or (×):-

- 1 - Collateral security is good substitute for repayment ()
- 2 - If the Borrower wants a quick answer, it is "NO" ()

B - Choose the correct answer:

1. If the environment is stable and simple, analysts can form opinions and make Predictions based on
 - A. past experience
 - B. Future assumptions
 - C. actual position

2. Risks is moreassociated with certain industries than others.
 - A. Closely
 - B. Not closely
 - C. Competitive position

- 3- Asset Turnover ratio (ATO)= / total assets
 - A. Sales
 - B. total liabilities
 - C. net worth

- 4- Choice the correct answer what are the 2 issues for belt in Obligor risk rating System (ORR)?
 - A. qualitative - quantitative
 - B. Facilities type - collaterals type
 - C. Serving type - past due position